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August 27, 2021

VIA ELECTRONIC FILING

The Honorable Jocelyn Boyd
Chief Clerk / Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

RE: Cherokee County Cogeneration Partners, LLC v. Duke Energy Carolinas, LLC
and Duke Energy Progress, LLC
Docket No. 2020-263-E

Dear Ms. Boyd:

I write this letter on behalf of Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP" and together with DEC, the "Companies") in response to the Commission Directive entered on August 25, 2021.

As the Companies noted in their Proposed Order and accompanying transmittal letter filed on August 20, 2021, the second extension to the 2012 PPA between DEC and Cherokee County Cogeneration Partners, LLC ("Cherokee") that the Commission granted on April 28, 2021 is set to expire this Saturday, August 28, 2021. While the action taken by the Commission in this matter on August 25, 2021 established a process for DEC and Cherokee to commence further negotiations for a successor PPA, the Commission Directive was silent as to any further extension of the 2012 PPA. In keeping with the Commission's past extensions of the 2012 PPA while the matter was pending before the Commission, DEC intends to continue paying Cherokee at rates consistent with the 2012 PPA until a successor PPA is executed and will continue to expect that Cherokee will bear the economic risk of any possible overpayment from any extension of the 2012 PPA, consistent with previous Commission extensions, unless otherwise directed by the Commission. The Companies have shared their intentions with both Cherokee and the Office of Regulatory Staff.

As instructed by the Commission Directive, within thirty days from entry of the successor PPA or within forty-five days from the date the Final Order is entered, DEC will petition the Commission and request an accounting or other appropriate



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remedy to address the overpayment of rates paid to Cherokee from January 1, 2021 through execution of the successor PPA.

Yours truly,

Frank R. Ellerbe, III

FRE:tch

c via email: Parties of Record
Heather Shirley Smith, Deputy General Counsel
E. Brett Breitschwerdt, Esquire
Tracy S. DeMarco, Esquire

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